

FILED IN THE  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

Sep 04, 2024

SEAN F. McAVOY, CLERK

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

DK FAB, INC., an Oregon corporation,

Plaintiff,

v.

SHINN & SON, INC., a Washington  
corporation; and SATUS CREEK FARMS,  
LLC, a Washington limited liability  
company,

Defendants.

No. 1:24-CV-03042-SAB

**ORDER GRANTING  
DEFENDANTS' MOTION FOR  
LEAVE TO FILE FIRST  
AMENDED ANSWER AND  
COUNTERCLAIMS**

Before the Court is Defendants' Motion for Leave to File First Amended Answer and Counterclaims, ECF No. 19. Plaintiff is represented by Brendan Monahan, Claire Taylor, and Marthy Hernandez. Defendants are represented by Rhys Farren and Suzanne Daigle. The motion was considered without oral argument.

The Court reviewed the briefs and caselaw, and **grants** Defendants' motion.

**BACKGROUND**

This case was filed in U.S. District Court for the Eastern District of Washington on March 20, 2024 based on 28 U.S.C. § 1332. Plaintiff alleges several Washington State law claims, including for (1) breach of contract by Defendant Satus Creek Farms; (2) breach of contract by Defendant Shinn & Son;

**ORDER GRANTING DEFENDANTS' MOTION FOR LEAVE TO FILE  
FIRST AMENDED ANSWER AND COUNTERCLAIMS\* 1**

1 (3) breach of contract by both Defendants; (4) breach of duty of good faith and fair  
2 dealing by both Defendants; (5) for accounts stated as to both Defendants; and (6)  
3 unjust enrichment by both Defendants. Plaintiff seeks \$769,817.67; compensatory,  
4 consequential, and reliance damages; and costs and fees.

5 Defendants filed counterclaims for (1) rejection or revocation of acceptance;  
6 (2) breach of contract; (3) breach of warranty; and (4) misrepresentation.

7 Defendant now seeks to amend their Answer and Counterclaims to add new  
8 counterclaims and clarify their answer.

### 9 MOTION STANDARD

10 Fed. R. Civ. P. 15(a) provides that a party may amend its pleading “once as a  
11 matter of course,” and may do so in all other cases “only with the opposing party's  
12 written consent or the court's leave. The court should freely give leave when justice  
13 so requires.” Fed. R. Civ. P. 15(a). Amendments to pleadings are “applied with  
14 extreme liberality.” *Owens v. Kaiser Found. Health Plan, Inc.*, 712 (9th Cir.  
15 2001).

16 Courts consider five factors when deciding whether to grant leave to amend:  
17 (1) bad faith, (2) undue delay, (3) prejudice to the opposing party, (4) previous  
18 amendments, and (5) futility of the amendment. *Forman v. Davis*, 371 U.S. 178,  
19 182 (1962); *see also United States v. Corinthian Colleges*, 655 F.3d 984, 995 (9th  
20 Cir. 2011). “[T]he court must grant all inferences in favor of allowing  
21 amendment.” *Griggs v. Pace Am. Gp., Inc.*, 170 F.3d 877, 880 (9th Cir. 1999).

### 22 DEFENDANTS’ MOTION

23 Defendants seek for the first time to amend their Answer and Counterclaims  
24 to clarify their answers with regards to the August 2022 agreement on who signed  
25 the agreement in question and add counterclaims, based on new discovery. The  
26 new counterclaim is for unpaid rent and other goods and services. They argue the  
27 amendment will not result in prejudice or undue delay and is not made in bad faith  
28 nor is futile because the case is still in early stages and the amendments rely on

**ORDER GRANTING DEFENDANTS’ MOTION FOR LEAVE TO FILE  
FIRST AMENDED ANSWER AND COUNTERCLAIMS\* 2**

1 recent information revealed in discovery.

2 Plaintiff opposes the Motion because it argues Defendants are trying to  
3 avoid Plaintiff's pending Motion for Judgment on the Pleadings, ECF No. 17, the  
4 new claims do not change the outcome of the case, and Defendants had the  
5 information from discovery already in their possession.

6 Discovery in this case does not close until December 2024 and trial is set for  
7 May 2025. Defendants state the amendment is necessary to clarify counterclaims  
8 and damages. Given the liberal standard for amendment pursuant to Rule 15(a),  
9 especially upon first request, and finding no prejudice, undue delay, bad faith, or  
10 futility, the Court **grants** Defendants' Motion. *See Forman*, 371 U.S. at 182.

11 Accordingly, **IT IS HEREBY ORDERED:**

12 1. Defendants' Motion for Leave to File First Amended Answer and  
13 Counterclaims, ECF No. 19, is **GRANTED**.

14 2. Defendants shall file their Amended Answer and Counterclaims on or  
15 before **September 13, 2024**.

16 3. Plaintiff's Motion for Judgment on the Pleadings, ECF No. 17, is  
17 **DISMISSED with leave to renew**.

18 **IT IS SO ORDERED.** The District Court Clerk is hereby directed to enter  
19 this Order and to provide copies to counsel.

20 **DATED** this 4th day of September 2024.



24  
25

A handwritten signature in blue ink that reads "Stanley A. Bastian". The signature is fluid and cursive, with a horizontal line underneath it.

26 Stanley A. Bastian  
27 Chief United States District Judge  
28

**ORDER GRANTING DEFENDANTS' MOTION FOR LEAVE TO FILE  
FIRST AMENDED ANSWER AND COUNTERCLAIMS\* 3**